

IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD

An Independent Agency of the Executive Branch

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BOARD MEMBERS:

James Albert, Chair
Janet Carl, Vice Chair
Gerald Sullivan
Betsy Roe
John Walsh
Patricia Harper

IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD MINUTES AUGUST 28, 2008 OPEN SESSION

HELD AT: Jessie Parker Building, 510 East 12th, Des Moines, Iowa

BOARD MEMBERS PRESENT: James Albert, Janet Carl, Gerald Sullivan, Patricia Harper, Betsy Roe, and John Walsh by phone

STAFF PRESENT: W. Charles Smithson, Karen Hudson, Meghan Van Wyk

1. CALL TO ORDER – The meeting was called to order by Chair Albert at 12:10 p.m.
2. APPROVAL OF MINUTES FROM MAY 15, 2008 – It was moved by Harper and seconded by Carl to approve the minutes from May 15, 2008. Motion carried.
3. ADJOURNMENT TO EXECUTIVE SESSION – At 12:10 p.m. it was moved by Sullivan and seconded by Roe that in accordance with the provisions of Iowa Code section 21.5, the Board will move into executive session to discuss complaints, investigations, and personnel matters. Any action taken in executive session will be disclosed upon return to open session. Motion carried unanimously in roll call vote.

The meeting returned to Open Session at 1:17 p.m.

4. ACTION FROM EXECUTIVE SESSION – It was moved by Sullivan and seconded by Harper that the written record of executive session action be made a part of the open record. Motion carried.

The following executive session action was taken:

It was moved by Roe and seconded by Harper to approve the contested case decisions for the following. Motion carried.

1. Robert Marqusee, Marqusee for Supervisor
2. Jeremy Davis, Davis for Council
3. Bob Dopf, Iowans for Bob Dopf

Charles Allison – It was moved by Sullivan and seconded by Roe to issue a civil penalty of \$200 and a letter of reprimand. Motion carried.

It was moved by Roe and seconded by Carl to direct the executive director to propose for the next meeting an additional draft rule to impose additional penalties without a hearing. The motion was tabled for discussion of issue in open session.

Rescind Henningsen Letter of Reprimand – It was moved by Carl and seconded by Harper to rescind the letter of reprimand as no violation of statute occurred. Motion carried.

Bartlett PAC – It was moved by Harper and seconded by Walsh to issue a civil penalty for \$25 and a letter of reprimand stating compliance in any future activity will be expected. Motion carried.

HQ Group, LLC – It was moved by Harper and seconded by Walsh to issue a civil penalty for \$20 and a letter of reprimand stating compliance in any future activity will be expected. Motion carried.

Sandhills PAC – It was moved by Harper and seconded by Walsh to issue a civil penalty for \$25 and a letter of reprimand stating compliance in any future activity will be expected. Motion carried.

Sharon Dunfee – It was moved by Carl and seconded by Harper to be set for hearing and the chair will appoint a hearing officer. Motion carried.

Rick Little – Closed for compliance.

Mark Campbell – It was moved by Carl and seconded by Harper to be set for hearing and the chair will appoint a hearing officer. Motion carried.

Dickinson County Democratic Central Committee – Closed for compliance.

Emmet County Republican Central Committee – Closed for compliance.

Fremont County Democratic Central Committee – Closed for compliance.

TechPAC– Closed for compliance.

DSM Education Times – It was moved by Roe and seconded by Carl to table pending further investigation of executive director. Motion carried.

TOM ROBERT – It was moved by Roe and seconded by Harper to set for hearing. Motion carried.

Kathy Gallo – It was moved by Harper and seconded by Carl to close with no finding of probable cause. Motion carried.

Lynn Grobe – It was moved by Harper and seconded by Carl to close with no finding of probable cause. Motion carried.

Flyers for Marshall Shoemaker – It was moved by Harper and seconded by Carl to close with no finding of probable cause. Motion carried.

Ben Khan – It was moved by Harper and seconded by Carl to close with no finding of probable cause. Motion carried.

Bill Elam – It was moved by Harper and seconded by Carl to issue a letter of admonishment and issue education letters to the four corporations. Sullivan abstained. Motion carried.

IDPH Contracts/John Johnson and Jeff Gauthier – It was moved by Harper and seconded by Carl to close with no finding of probable cause. Motion carried.

Virginia Bordwell – It was moved by Roe and seconded by Sullivan to close with no finding of probable cause. Motion carried.

Laurie Greenman – It was moved by Harper and seconded by Carl to administratively close the committee and issue a letter of admonishment for the late-filed DR-1. Motion carried.

Buffalo Center – It was moved by Harper and seconded by Carl to issue a letter of admonishment to the city clerk. Motion carried.

Richard Francisco - It was moved by Harper and seconded by Carl to close with no finding of probable cause. Motion carried.

Susan Voss - It was moved by Harper and seconded by Carl to close with no finding of probable cause. Motion carried.

Iowa Future Fund – It was moved by Walsh and seconded by Harper to table pending further investigation. Motion carried.

It was moved by Roe and seconded by Harper that an assessment be done concerning the need for a rule addressing issues similar to Charles Allison. Motion carried.

It was moved by Roe and seconded by Carl that the director propose a rule for the next board meeting to make the penalties the same for corporations and LLCs. Motion carried.

5. POLICY DECISIONS

A. Compliance After Statement of Charges/Before Hearing – There was consensus agreement that a formal dismissal or final agency action document should be drafted by the director and chair for review of full board.

B. Contributions During Session – It was moved by Harper and seconded by Sullivan that the director draft an opinion clarifying the definition of “any day” that the legislature is session. Motion carried.

C. Duplicate Committee Name – It was moved by Roe and seconded by Harper that the rule regarding duplicate committee names be amended. Motion carried.

D. Family Farm Corporations – It was moved by Sullivan and seconded by Harper to follow the statute which is limited to signs on corporate property and that family farm corporations cannot make contributions to candidates, political parties, or state PACs. Motion carried

E. Reporting of Civil Penalty/Corporate Contribution – It was moved by Harper and seconded by Carl that payment of a civil penalty by an outside source, such as a corporate sponsor, is not a contribution to the PAC and can be paid by the corporate sponsor. Motion carried.

F. Use of Campaign Funds – It was moved by Roe and seconded by Harper to direct the director to draft an advisory opinion concerning the attendance at events. Sullivan opposed. Motion carried.

G. Use of Campaign Funds for Clothing – It was moved by Carl and seconded by Harper that this type of expenditure is permitted so long as the clothing has become “campaign advertising” and that the candidate should be advised. Motion carried.

H. Use of Campaign Funds/Professional Memberships – It was moved by Carl and seconded by Roe that Representative Kevin McCarthy cannot pay with committee funds for this membership due to

his profession and that by its nature this is a professional organization that he would not otherwise have access to. Motion carried.

It was moved by Carl and seconded by harper that Senator David Johnson cannot pay with committee funds for these memberships due to his profession and that these are by their nature professional organizations that he would not otherwise have access to. The director is directed to draft an opinion to provide guidance. Motion carried.

I. Campaign Funds to Attend Presidential Inauguration – It as moved by Sullivan and seconded by Carl that this is not a permissible expense. Harper, Roe, Albert, and Walsh opposed. Motion failed.

It was moved by Roe and seconded by Walsh that this is a permissible expense. Carl and Sullivan opposed. Motion failed.

It was moved by Roe and seconded by Harper that this issue should be more fully discussed and included in the policy issue meeting. Motion carried.

6. ADVISORY OPINIONS

A. 527 Committees Making Campaign Contributions – It was moved by Roe and seconded by Harper to approve the opinion as amended. Motion carried.

B. Application of Campaign Laws/Payment for Personal Expenses – It was moved by Harper and seconded by Roe to approve the opinion as amended. Motion carried.

C. Application of Post-State Employment Provisions on Interim State Positions – It was moved by Walsh and seconded by Harper to approve the opinion as amended. Motion carried.

D. Campaign Sign Placement – It was moved by Sullivan and seconded by Roe to approve the opinion as amended. Motion carried.

Harper left at 2:45 p.m.

E. Effective Dates of Laws on Dates/times for Filing Campaign Reports – It was moved by Sullivan and seconded by Roe to approve the opinion. Motion carried.

F. Permitted and Prohibited Placement of Campaign Signs/Opinion 2007-07 Modified – It was moved by Sullivan and seconded by Roe to approve the opinion. Motion carried.

G. Prohibited Contributor Providing Refreshments at Campaign Event – It was moved by Roe and seconded by Sullivan to approve the opinion. Motion carried.

7. RULE FILINGS

A. Rule Filings Part I – It was moved by Carl and seconded by Sullivan to approve the rules to be filed under notice of intended action. Motion carried.

B. Rule Filings Part II – It was moved by Roe and seconded by Carl to approve the rules to be filed under notice of intended action. Motion carried.

8. RULES FOR ADOPTION – It was moved by Sullivan and seconded by Carl to adopt the rules. Motion carried.

9. COLA FOR EXECUTIVE DIRECTOR – It was moved by Walsh and seconded by Sullivan to approve the 3% cost of living adjustment for the executive director retroactive to June 27, 2008. Motion carried.

10. REQUESTS FOR WAIVER OF CIVIL PENALTIES

A. Statewide Committees (Rule 351 IAC 4.60) -

1. (Richard) Vander Mey Campaign Committee – It was moved by Sullivan and seconded by Roe to waive the civil penalty assessed for a late-filed May 30, 2008 disclosure report. Motion carried.

2. (Kevin) McCarthy for Iowa – It was moved by Sullivan to waive the civil penalty. Motion failed for lack of second.

It was moved by Carl and seconded by Roe to deny the request for waiver of the civil penalty. Roe withdrew second. Motion failed.

It was moved by Roe and seconded by Walsh to reduce the civil penalty. Sullivan and Carl voted against. Motion failed.

It was moved by Sullivan and seconded by Roe to waive the civil penalty. Walsh and Carl voted against. Motion failed.

It was moved by Sullivan and seconded by Roe to reduce the civil penalty to \$25 for the late-filed May 30, 2008 disclosure report. Carl voted against. Motion carried.

3. (Dwayne) Alons for Representative Committee – It was moved by Sullivan and seconded by Roe to waive the civil penalty. The motion was withdrawn.

It was moved by Sullivan and seconded by Roe to reduce the civil penalty to \$25 for a late-filed May 30, 2008 disclosure report. Motion carried.

4. Susan Murphy House District 59 – It was moved by Roe and seconded by Carl to deny the request for waiver of the civil penalty assessed for a late-filed May 30, 2008 disclosure report. Sullivan opposed. Motion carried.

5. (Mike) Robinson for Iowa 35 – It was moved by Roe and seconded by Walsh to waive the civil penalty assessed for a late-filed May 19, 2008 disclosure report. Motion carried.

6. Kent Sorenson for Statehouse – It was moved by Walsh and seconded by Roe to reduce the civil penalty assessed for a late-filed May 19, 2008 disclosure report to \$25. Carl opposed. Motion carried.

7. Committee for Pension Reform (CPR) – It was moved by Carl and seconded by Walsh to waive the civil penalty assessed for a late-filed May 19, 2008 disclosure report. Motion carried.

8. IowaFathers.com – It was moved by Carl and seconded by Roe to reduce the civil penalty to \$25. Sullivan and Albert opposed. Motion failed.

It was moved by Sullivan to waive the civil penalty. No second. Motion failed.

It was moved by Roe to reduce the civil penalty to \$20. No second. Motion failed.

It was moved by Sullivan and seconded by Walsh to reduce the civil penalty assessed for a late-filed May 19, 2008 disclosure report to \$10. Motion carried.

9. Laborers' Local #43 – It was moved by Carl and seconded by Roe to deny the request for waiver for the civil penalty assessed for a late-filed May 19, 2008 disclosure report. Motion carried.

10. Plumbers and Steamfitters Local Union 33 – It was moved by Roe and seconded by Walsh to waive the civil penalty assessed for a late-filed May 19, 2008 disclosure report. Motion carried.

11. RDH PAC (Registered Dental Hygienist PAC) – It was moved by Carl and seconded by Walsh to deny the request for waiver of the civil penalty assessed for a late-filed May 19, 2008 disclosure report. Motion carried.

12. State Police Officers Council – It was moved by Walsh and seconded by Roe to deny the request for waiver of the civil penalty assessed for a late-filed May 19, 2008 disclosure report. Motion carried.

B. County/Local Committees

1. Submit DR2 Button to File Reports – It was moved by Carl and seconded by Sullivan to waive the civil penalty assessed for the late-filed disclosure reports of the committees listed below due to problems with the visibility of the submit button in the on-line filing system. It should be noted that the board will not accept the same excuse on future reports. Motion carried.

- a. Travis Clark
- b. Randy Jensen
- c. Tom Gill
- d. Robert Burns
- e. Ken Vaske – General Assembly Candidate

2. Committee to Elect Steve Kollasch – It was moved by Roe and seconded by Walsh to waive the civil penalty assessed for a late-filed May 19, 2008 disclosure report. Motion carried.

3. Committee to elect Robert J. Jansen County Supervisor – It was moved by Carl and seconded by Walsh to deny the request for waiver of the civil penalty assessed for a late-filed May 19, 2008 disclosure report. Motion carried.

4. (Larry) Kruse for District 1 Supervisor – It was moved by Roe and seconded by Carl to deny the request for waiver of the civil penalty assessed for a late-filed May 19, 2008 disclosure report. Motion carried.

5. (Joy Lynn) Conwell for Supervisor Committee – It was moved by Walsh and seconded by Sullivan to waive the civil penalty assessed for a late-filed May 19, 2008 disclosure report. Motion carried.

6. (Jay) Urdahl for Supervisor – It was moved by Walsh and seconded by Carl to waive the civil penalty assessed for a late-filed May 19, 2008 disclosure report. Motion carried.

7. Johnson County Green Central Committee (county PAC) – It was moved by Roe and seconded by Sullivan to waive the civil penalty assessed for a late-filed May 19, 2008 disclosure report. Motion carried.

C. County Central Committees

1. Dubuque County Democratic Central Committee – It was moved by Carl and seconded by Walsh to deny the request for waiver of the civil penalty assessed for a late-filed May 19, 2008 disclosure report. Motion carried.

2. Iowa County Democratic Central Committee – It was moved by Roe and seconded by Sullivan to waive the civil penalty assessed for a late-filed May 19, 2008 disclosure report. Motion carried.

3. Jones County Democratic Central Committee – It was moved by Carl and seconded by Walsh to deny the request for waiver of the civil penalty assessed for a late-filed July 19, 2008 disclosure report. Motion carried.

4. Union County Republican Central Committee – It was moved by Roe and seconded by Walsh to waive the civil penalty assessed for a late-filed July 19, 2008 disclosure report. Motion carried.

5. Washington County Republican Central Committee – It was moved by Walsh and seconded by Roe to reduce the civil penalty assessed for a late-filed May 19, 2008 disclosure report to \$20. Motion carried.

D. Lobbyists/Clients (Rule 351 IAC 8.12)

1. The Washington Center – It was moved by Sullivan and seconded by Walsh to deny the waiver request for the civil penalty assessed for a late-filed July 31, 2008 lobbyist client report. Motion carried.

2. Iowa Limestone Producers Association, Inc. – It was moved by Sullivan and seconded by Walsh to waive the civil penalty assessed for a late-filed July 31, 2008 lobbyist client report. Motion carried.

11. VIOLATIONS

A. Attribution Statement Violations (Iowa Code section 68A.405) – Received for information. No action taken.

1. Webster City Area Development
2. Osceola Taxpayers Association
3. Paul Peterson

B. Late-Filed Statements of Organization (Iowa Code section 68A.201) – It was moved by Walsh and seconded by Carl that letters of admonishment should be sent to the following committees. Motion carried.

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| 1. Thomas for Sheriff | Clarke County |
| 2. Max Worthington for Jasper County Board of Directors | Jasper County |
| 3. Terry Dahms for Supervisor | Johnson County |
| 4. Committee to Elect Roger Bryant | Lee County |
| 5. Gray 4 Supervisor | Linn County |
| 6. (Cary) Hahn for Supervisor | Linn County |
| 7. (Clayton) Allen for Sheriff | Madison County |
| 8. Don Brantz for Supervisor | Mills County |
| 9. Raymond Schuster for Supervisor | Osceola County |
| 10. Citizens for (David) Gochenouer | General Assembly |
| 11. Paustian for State House | General Assembly |
| 12. Vander Mey Campaign Committee | General Assembly |

C. Late-Filed Lobbyist Registration (Iowa Code section 68B.36 and rule 351 – 8.7)

1. Stacy Frelund/American Cancer Society – It was moved by Roe and seconded by Sullivan to issue a letter of admonishment. Motion carried.

D. Late-Filed Notice of Dissolution (Iowa Code section 68A.402B)

1. Iowans for Hanusa – It was moved by Roe and seconded by Sullivan to issue a Letter of admonishment. Motion carried.

12. ITEMS OF BOARD INTEREST NOT NEEDING ACTION – Received for information. No action taken.

A. Income Tax Checkoff Reports

B. Report from Office of Auditor of State – It was noted that the board would like to commend staff on a good job.

13. DEMONSTRATION OF SEARCHABLE DATABASE

14. ADJOURNMENT – The meeting was adjourned at 3:30 p.m.

Respectfully submitted,



Karen Hudson
Secretary